

## Article - Insurance

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§16–402.

(a) Each annuity contract and each pure endowment contract shall contain a provision that a grace period of not less than 30 days shall be allowed within which any stipulated payment to the insurer due after the first may be made.

(b) The annuity contract or pure endowment contract continues in full force during the grace period.

(c) The insurer may charge interest on a payment made during the grace period at a rate specified in the annuity contract or pure endowment contract, not exceeding 6% per year, for the number of days that elapse in the grace period before the payment.

(d) If a claim arises under the annuity contract or pure endowment contract due to death during the grace period before the overdue payment to the insurer or any deferred payments of the current contract year are made, the amount of the payments, with interest on any overdue payments, may be deducted from any amount payable under the annuity contract or pure endowment contract in settlement.

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